

1                                   **THE REGULAR MEETING**  
2                                   **OF THE**  
3                                   **BOARD OF DIRECTORS**  
4                                   **TRABUCO CANYON WATER DISTRICT**  
5                                   **JUNE 15, 2011**

6           The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District  
7 (TCWD) was called to order by President Mike Safranski at 7:03 p.m. at Trabuco Canyon Water  
8 District's office located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Teresa  
9 Teichman, Secretary to the Board of Directors, recorded and transcribed the minutes thereof.

10                   **DIRECTORS PRESENT**

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12 Mike Safranski, President  
13 Ed Mandich, Vice President  
14 Jim Haselton, Director  
15 Glenn Acosta, Director  
16 Matt Disston, Director

17                   **STAFF PRESENT**

18 Don Chadd, General Manager  
19 Hector Ruiz, District Engineer  
20 Teresa Teichman, Secretary to the Board of Directors  
21 Michael Perea, Special Projects Manager  
22 Karen Warner, Accounting Technician

23                   **PUBLIC PRESENT**

24           There were no members of the public present.

25                   **PLEDGE OF ALLEGIANCE**

26           Mrs. Karen Warner, Accounting Technician, led the Board and staff in the pledge of allegiance.

27                   **VISITOR COMMENTS**

28           There were no visitor comments.

**ORAL COMMUNICATION**

1 There were no oral comments.

2 **DIRECTOR'S COMMENTS**

3 Vice President Mandich stated he received notification from the South Orange County  
4 Watershed Committee advising there will be no meeting in July. Next meeting is scheduled for  
5 October, 2011.

6 President Safranski advised he attend Irvine Ranch Water District's (IRWD) May 13,  
7 2011 Regular Board meeting and accepted a Partnership Recognition on behalf of the District.  
8 Mr. Safranski also provided a recap from the 2011 Flag Day Republican Salute which he  
9 attended May 13, 2011.

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11 **REPORT FROM THE GENERAL MANAGER**

12 General Manager, Mr. Don Chadd, provided data from Metropolitan Water District of  
13 Orange County (MWDOC) which compares water between the 27 MWDOC member agencies.  
14 Discussion occurred relating to the different amounts of property tax funding. Mr. Chadd stated  
15 it is a good resource document and he would like to post it on TCWD's website.

16 Mr. Chadd advised the Board the Grand Jury released a report last week relating to  
17 General Manager's salaries. Discussion occurred relating to complexity, elevation, and  
18 geographic size of the different districts.

19 Mr. Chadd advised he has received the annual engagement letter from Leaf & Cole which  
20 he will be signing.

21 Mr. Chadd reported the Consumer Confidence Water Quality Reports have been mailed  
22 out. Vice President Mandich and President Safranski advised they received theirs in today's  
23 mail.

24 **ITEMS TOO LATE TO BE AGENDIZED**

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26 There were no items too late to be agendized.

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## ACTION CALENDAR

President Safranski stated that the General Manager and staff had reviewed all matters under the Action Calendar prior to the Board's consideration.

## ADMINISTRATIVE MATTERS

**ITEM NO. 1F                      RATIFICATION OF DIRECTOR’S FEES AND EXPENSES AND FUTURE MEETINGS**

**MOTION:** A motion was made by Director Disston and seconded by Director Acosta to approve the director's fees and expenses and future meeting as presented. The motion carried 5-0.

<b>ITEM NO. 1G</b>	<b>ACTIONS RELATING TO PUBLIC HEARING FOR CONSIDERATION OF APPROVING THE 2010 URBAN WATER MANAGEMENT PLAN (UWMP)</b>
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Mr. Chadd advised the Draft UWMP was updated and prepared by Mr. Ruiz, District Engineer, and Mr. Perea, Special Projects Manager, and complimented each for their collaboration and diligence.

Mr. Ruiz presented a power point which covered topics of water demands including SBx7-7 targets, supplies and supply reliability, conservation measures, an implementation plan and financial impacts, along with historical data provided by MWDOC.

1 President Safranski opened the public hearing. No members of the public were present.  
2 No written comments had been received. President Safranski closed the public hearing.

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4 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta  
5 to adopt Resolution No. 2011-1149 approving 2010 UWMP and directed  
6 staff to file the UWMP by July 30, 2011. The motion carried 5-0.

7 Director Disston commented on the quality and depth of this document and advised it will be a  
8 good resource document for the District. Both Vice President Mandich and Director Acosta  
9 commented on the level of detail provided in this document.

10 **ITEM NO. 1H DISCUSSION AND POSSIBLE ACTION RELATING TO REVISED**  
11 **PERSONNEL POLICY**

12 Mr. Chadd presented a power point. Mr. Chadd stated the most recent version of  
13 TCWD's Personnel Policy was approved in 2001. The District's organizational structure has  
14 changed considerably since that time. Staff and Board agreed the Personnel Policy should be  
15 updated to reflect the actual changes in practice that have occurred since it was previously  
16 approved.

17 Discussion occurred regarding the stand-by and call-out pay structure currently in use and  
18 the proposed revised structure. The Boot stipend protocol was also discussed.

19 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta  
20 to move staff recommendation and approve as submitted. The motion  
21 carried 5-0.

22 Director Disston complimented Mr. Perea's organization of presented materials.

23 **ENGINEERING MATTERS**

24 **ITEM NO. 1I STATUS UPDATE AND POSSIBLE ACTION RELATING TO**  
25 **STORM DAMAGE**

26 Mr. Ruiz advised \$40,000 has been received in FEMA/Cal-FEMA reimbursements since  
27 the time of the last board meeting. Mr. Ruiz advised he is moving forward working with  
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consultants as it relates to the Serrano Creek Crossing. Mr. Ruiz has issued a Request for Proposal (RFP) for design work. Mr. Ruiz is assessing what environmental requirements may be necessary for any potential project.

The Board received and filed the information. No action taken.

**ITEM NO. 1J                      STATUS UPDATE RELATING TO BAKER REGIONAL WATER TREATMENT FACILITY**

Mr. Ruiz advised the Baker Water Treatment Plant (BWTP) Committee met on June 9, 2011 and continued its review of the 90 percent design and discussed a proposed variance submitted by the design engineer.

The Board received and filed the status update. No action required.

**ITEM NO. 1K                      STATUS UPDATE AND POSSIBLE ACTION RELATING TO FIELDSTONE HOMES, TRACT 16677**

Mr. Ruiz provided an overview of the progress since the issuance of the Will-Serve letter on April 20, 2011. Mr. Ruiz advised he has received and reviewed Tract Map 16677, submitted and signed by the property owner, RSM8 LLC. RSM8 LLC submitted Tract Map 16677 offering for dedication to TCWD the domestic water and sewer system, as shown in improvement plans for Tract 16677, the sewer and water easement, as shown on Tract Map 16677, and all water rights, if any, included within and underlying the distinctive boundaries of Tract 16677.

**MOTION:** A motion was made by Director Disston and seconded by Director Haselton to Receive Tract Map 16677, as presented, at the time of the Regular Board Meeting for acceptance including dedications to the Trabuco Canyon Water District. To accept the easements and appurtenances and water rights thereby offered. To authorize the District Secretary to sign Tract Map No 16677, as presented, for acceptance of easements, appurtenances, and water rights thereby offered.

Vice President Mandich recused himself from the vote. The motion carried 4-0 with Vice President Mandich abstaining.

**ITEM NO. 1L      CONSIDERATION AND POSSIBLE ACTION ADOPTING  
RESOLUTION NO. 2011-1148 ESTABLISHING  
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2011/2012**

Mr. Chadd presented this issue. Minimal discussion occurred due to current fund yields.

**MOTION:** A motion was made by Director Disston and seconded by Director Haselton to approve Resolution No. 2011-1148. The motion carried 5-0.

**FINANCIAL MATTERS**

**ITEM NO. 1M      CONSIDERATION AND POSSIBLE ADOPTION OF  
RESOLUTION NO. 2011-1150 APPROVING FISCAL YEAR  
2011/2012 GENERAL FUND BUDGET**

Mr. Chadd provided a power point presentation.

**MOTION:** A motion was made by Director Acosta and seconded by Director Disston to approve Resolution No. 2011-1150 approving fiscal year 2011/2012 General Fund Budget as presented with the budget assumptions presented by staff at the time of the May 23, 2011 Special Board Workshop. The motion carried 5-0

**ITEM NO. 1N      CONSIDERATION AND POSSIBLE ADOPTION OF  
RESOLUTION NO. 2011-1151 APPROVING FISCAL YEAR  
2011/2012 CAPITAL IMPROVEMENT PROGRAM BUDGET**

Mr. Chadd discussed the 2011/2012 Capital Improvement Program budget. Mr. Chadd reviewed the retained earnings statement as it relates to district reserves and explained indexing the capital budget to retained earnings.

**MOTION:** A motion was made by Director Haselton and seconded by Director Disston to approve Resolution No. 2011-1151 approving fiscal year 2011/2012 Capital Improvement Program Budget as presented. The motion carried 5-0

1 **ITEM NO. 1O** **CONSIDERATION AND POSSIBLE ADOPTION OF**  
2 **RESOLUTIONS APPROVING FISCAL YEAR 2011/2012 DEBT**  
3 **SERVICE BUDGETS**

4 Mr. Chadd reviewed each of the six Community Facility District (CFD) bond balances,  
5 preliminary budgets, principal and interest amounts. Mr. Chadd advised the accounting function  
6 for TCWD's CFD's is contracted out to NBS Financial Services to administer on behalf of the  
7 district.

8 **MOTION:** A motion was made by Director Disston and seconded by Vice President  
9 Mandich to approve Resolution No.'s 2011-1153 through 2011-1158,  
10 inclusive, approving fiscal year 2011/2012 Debt Service Budgets as  
11 presented. The motion carried 5-0

12 **ITEM NO. 1P** **STAFF REPORT AND POSSIBLE ACTION RELATING TO**  
13 **CUSTOMER SERVICE FEES**

14 Mrs. Teichman, Customer Service Manager, provided a spreadsheet delineating TCWD's  
15 current customer fees as benchmarked against neighboring water districts along with a cost  
16 analysis of actual staff cost and time.

17 Discussion occurred related to cost recovery of staff time and equipment for each of the  
18 services.

19 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta  
20 to approve all customer service fees as presented. The motion carried 5-0.

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22 **ITEM NO. 1Q** **STAFF REPORT AND POSSIBLE ACTION REGARDING**  
23 **COLLECTION ACCOUNTS**

24 Mrs. Teichman reviewed the 2009/2010 uncollectible bad debt accounts totaling  
25 \$6,209.34. Mrs. Teichman advised Resolution No. 99-881 previously established a uncollectable  
26 customer account policy to write-off, but not forgive, bad debt.

27 Discussion occurred related to current economic conditions. The Board approved  
28 following the established procedures, per Resolution No 99-881.

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2 **ITEM NO. 1R            DISCUSSION AND POSSIBLE ACTION REGARDING THE FINES**  
3 **IMPOSED BY THE SAN DIEGO REGIONAL WATER QUALITY**  
4 **CONTROL BOARD ON THE SANTA MARGARITA WATER**  
5 **DISTRICT RELATING TO THE 2010 SEWAGE SPILL**

6            Mr. Chadd presented this issue advising the San Diego Regional Water Quality Control  
7 Board (SDRWQCB) has issued fines to the Santa Margarita Water District (SMWD) relating to a  
8 sewage spill in March 2010.

9            Discussion occurred relating to by-passing of sewage, amount of flow, amount of  
10 capacity, strategies and action plans in place by SMWD, TCWD, and IRWD. Staff and Board  
11 agreed next step of action should be a meeting between TCWD and IRWD with SMWD with  
12 one or two elected from each agency along with each General Manager and appropriate staff.

13            The Board received and filed the information. No action taken.

14 **ITEM NO. 1S            CONSIDERATION AND POSSIBLE ACTION REGARDING**  
15 **SELECTION OF THE HEALTH BENEFIT AUTHORITY BOARD**  
16 **OF DIRECTORS**

17            Mr. Chadd presented information relating to balloting information for Director positions in the  
18 Association of California Water Agencies Health Benefits Authority. The Board declined to take  
19 action.

20 **LEGISLATIVE MATTERS**

21 **ITEM NO. 1T            REVIEW OF LOCAL GOVERNMENTAL AND LEGISLATIVE**  
22 **INFORMATIONAL ITEMS**

23            Mr. Chadd shared information relating to the quarterly Independent Special Districts of  
24 Orange County (ISDOC) meeting on June 30, 2011, Director Haselton and Acosta are scheduled  
25 to attend. Mr. Chadd provided information relating to an outreach alert regarding the Delta and  
26 stated at the pleasure of the board, he will draft a letter.

27            Mr. Chadd provided a recap of IRWD's June 13, 2011 Board meeting.  
28



1 Discussion occurred relating to Orange County Water District and MWDOC relations.

2 **END ACTION CALENDAR**

3  
4 **OTHER MATTERS**

5 There were no other matters discussed.

6 **ADDITIONAL DIRECTORS' COMMENTS**

7 There were no additional director comments

8 **ADDITIONAL GENERAL MANAGER COMMENTS**

9 Discussion occurred relating to investments and timelines of funds, Mr. Chadd stated he  
10 will have information to present at the time of the next Finance/Audit Committee meeting.  
11

12 Mr. Chadd discussed the current structure of TCWD's accounting department and  
13 discussed a pending contract consultant agreement which he will bring to the board for  
14 ratification at the time of the July 20, 2011 Regular Board Meeting.  
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16 **ADJOURNMENT**

17 At 8:57 p.m. President Safranski adjourned the June 15, 2011 Regular Board Meeting.  
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19 Respectfully Submitted,  
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22 Teresa Teichman  
23 Secretary to the Board of Directors  
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